

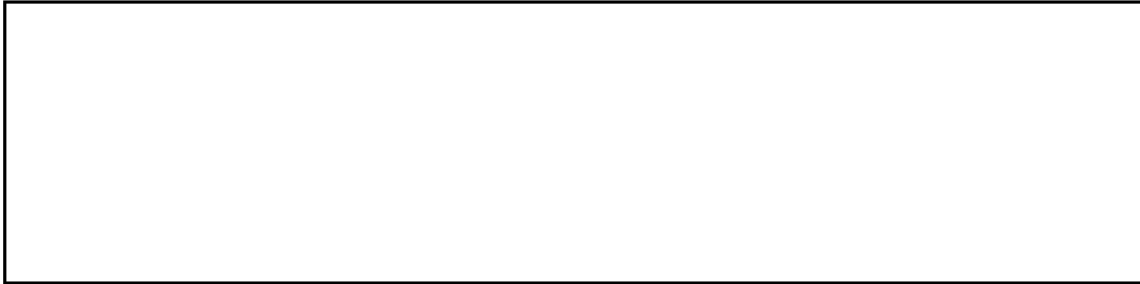
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Italian Union Leaders Divided Over Labor Unity

The leaders of Italy's three major labor confederations are meeting this week in an effort to resolve their differences over the possible formation of a single national labor organization. The strongest opposition is coming from union leaders who fear it would result in Communist domination of the labor movement.

The three confederations--which represent about 40 percent of Italy's workers, including the strongest and most militant industrial unions--have made substantial progress toward unification in recent years. Most major labor actions are now coordinated through a loosely-organized federation set up by the three groups in 1972. The federation, for example, handled the negotiations earlier this year that produced impressive worker benefits. It will guide the negotiations to renew important union contracts that expire late this year.

The discussions this week will center on whether to move beyond this loose arrangement to a complete merger of the three confederations. The strongest support for this comes from the largest of the three--the Communist-dominated General Confederation of Italian Workers (CGIL). Communist union leaders are pushing a timetable that would assure merger within two years, a unified labor press, and a single union card. They also want proportional voting in the present federation--a step which would increase their already predominant influence.

The Christian Democratic-oriented Confederation of Trade Unions (CISL)--the second largest organization--is divided over the merger issue. The

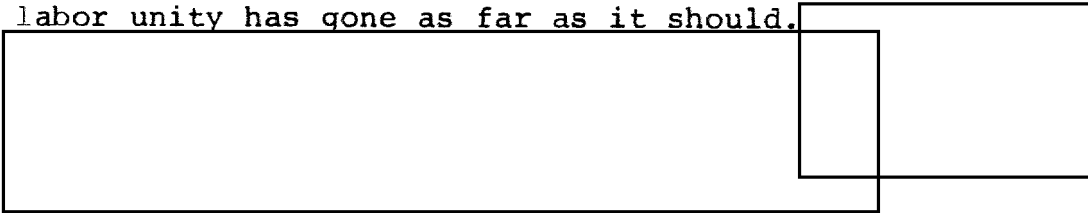
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majority, inclined to press ahead, is constrained by an influential minority that fears the Communists. The official Christian Democratic position is a straddle: support for merger provided that the unions can guarantee their autonomy from political parties.

The strongest opposition comes from the small Union of Italian Labor, a group of Social Democrat, Republican, and Socialist adherents who believe that labor unity has gone as far as it should.



Although none of the unions is completely controlled by the political parties, the connection between the merger issue and national political considerations is close. The Communists, for example, view labor unity as another step toward party legitimization and eventual government participation. The Christian Democrats, in their campaign for the nationwide local elections set for June, are stressing their traditional opposition to any increase in Communist influence.

These political overtones could make labor leaders cautious about taking a definitive stand at this time. If they back away from the issue now, however, it will only postpone a confrontation on the merger question until after the June elections.



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Producer-Consumer Conference

After more than a week of brutal negotiations in Paris, the oil producing and consuming states have failed to reach agreement on an agenda for a proposed major international conference to be held later this year.

Debate has centered primarily on the role raw materials will play in the upcoming conference. The developed countries, represented by the US, the EC, and Japan, prefer an agenda which focuses squarely on energy and energy-related issues. They did indicate a willingness to discuss raw materials problems as long as a clear linkage to energy issues could be established, but they consistently opposed efforts to link the price of oil with the price of raw materials.

The oil-producing states, represented by Algeria, Saudi Arabia, Venezuela, and Iran, and the developing states, represented by Brazil, India and Zaire, are demanding that equal importance be given to the economic problems of the third world and raw materials producers. Algeria, the self-appointed spokesman for the seven, is leading this effort.

The French, host to the talks, made strenuous efforts in Paris over the weekend to negotiate a compromise. Participants were hoping French President Giscard's visit to Algiers might contribute, but it did not.

The debate over an acceptable agenda has prevented agreement on most of the other questions which confronted the ten participants, such as

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who will host the conference, where and when it will be held, and who will be allowed to participate. Participants are divided over demands by the developed states to grant the International Energy Agency observer status at the upcoming conference. Algeria has consistently opposed observer status, branding the energy agency as an organization designed for confrontation.

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